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ACACIA MEDIA TECHNOLOGIES CORPORATION

UNITED STATES DISTRICT COURT

NORTHERN DISTRICT OF CALIFORNIA

SAN JOSE DIVISION

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| In re<br><br>ACACIA MEDIA TECHNOLOGIES CORPORATION, | Case No.05 CV 01114 JW<br><br>**PLAINTIFF ACACIA MEDIA TECHNOLOGIES CORPORATION'S OPPOSITION TO DEFENDANTS' MOTION TO CONTINUE HEARING DATE (CIVIL L.R. 7-11)**<br><br>DATE: N/A<br>TIME: N/A<br>CTRM: Ctrm 8, 4th Floor<br>JUDGE: Hon. James Ware |

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## I. INTRODUCTION

It is indisputable that, as a result of the Court's claim construction rulings, all of the asserted claims in the patents-in-suit are indefinite and, therefore, invalid. As a result, there is and cannot be a case or controversy relating to infringement of these claims, because it is legally impossible to infringe an invalid claim.

Acacia filed the Motion For Summary Judgment For Invalidity ("Acacia's Motion") against itself, not as a ploy as defendants suggest, but as one last attempt to avoid an impermissible advisory opinion, and the concomitant waste of resources associated with the response to and consideration of defendants' summary judgment motions which are cumulatively more than 80 pages in length (without attachments). The issues presented in the Motion were not "hand picked" by Acacia as defendants repeatedly assert, but are the direct consequence of, and defined by, the Court's determination that certain claim terms were indefinite.

The Court should not continue the October 20, 2008 hearing date now set for Acacia's Motion. If granted, the ruling on the Motion is in the interest of judicial economy and will save the parties great time and expense associated with defendants' pending motions, which benefits will be lost if the Motion decided at the same time that defendants' motions are considered.

## II. BACKGROUND FACTS

From July 12, 2004 through February 13, 2008, the Court has issued a series of six Claim Construction Orders, construing nearly every claim term that the parties to this MDL proceeding have requested that the Court construe, while at the same time, staying all discovery in the case. As a result of these six Claim Construction Orders, all of the remaining claims asserted by Acacia are invalid as being indefinite: (1) the Court held that the terms "sequence encoder" and "identification encoder" are indefinite (2nd CCO, at 18); (2) the Court construed the term "transmission system" to include an "identification encoder" (6th CCO, at 9, 11); and (3) the Court construed the term "central processing location" to require a "transmission system." (4th CCO, at 6).

Each remaining asserted claim contains one or more of these terms, and therefore, pursuant to the Court's Claim Construction Orders, each asserted claim is indefinite and therefore invalid. Acacia has stipulated to the indefiniteness of each asserted claim based on the Court's Claim

Construction Orders.[1] The invalidity of each asserted claim is a fact that is not disputed by any defendant.

On May 27, 2008, the Court issued its Order adopting the parties' briefing schedule for the defendants' Section 112 motions (the Court having directed the parties to agree on a schedule at the May 9 Case Management Conference) (Doc. No. 282). The intent of this schedule was to provide a time by which Acacia would identify all Section 112 issues raised by defendants to which it could stipulate so as to reduce the number of disputed issues and thereby reduce the number of Section 112 motions which defendants would be required to bring. Thus, consistent with this intent, the Court's scheduling Order required Acacia to notify defendants of any motions to which it would stipulate and required defendants to file dispositive motions on only the ***disputed issues*** by July 11. (Doc. No. 282, at 1:21-23). As Acacia had already stipulated that all of the asserted claims were invalid as being indefinite based on the Court's Claim Construction Orders, these issues were not "disputed." Accordingly, on June 17, 2008 (shortly after the Court had entered all of the covenant not sue stipulations filed by Acacia), Acacia filed the Motion. (Doc. No. 287). Acacia's Motion seeks entry of judgment in favor of defendants on Acacia's patent infringement claims and in favor of defendants on defendants' invalidity counterclaims. (Doc. No. 287). Nothing in the Court's Orders prohibited Acacia from seeking such relief.

By Court Order dated June 18, 2008, the Court reset the Motion for hearing on October 20, 2008.[2] (Doc. No. 290).

## III. ARGUMENT

### A. Defendants Agree That Acacia Is Entitled To The Relief It Seeks In The Motion And Therefore Defendants Have No Substantive Ground On Which To Oppose Acacia's Motion

One reason defendants are requesting a continuance of Acacia's Motion is that defendants have no substantive grounds on which to oppose it. All defendants agree that all of the asserted claims are invalid as being indefinite based on the Court's Claim Construction Orders. As discussed in Acacia's Motion, defendants sought the same relief with respect to claims 1-42 of the '702 patent in their own summary judgment motion and, as part of the motion process, defendants proposed bringing dispositive motions on the indefiniteness of all of the asserted claims. Acacia stated it would not oppose defendants proposed motion and, in fact, Acacia stipulated to such indefiniteness of the claims. Even in his letter of September 15, Mr. Benyacar stated that "as set forth in defendants' pending motions[3], the Yurt patents are invalid for many reasons in addition to those relied on in Acacia's motion." (Exhibit 1 to Silbert Decl.)

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[1] Acacia expressly reserved all rights on appeal and stated that its stipulation and Motion shall not serve as a waiver of any right that Acacia may have to object to or appeal from any of the above-mentioned rulings or any other finding or ruling set forth in the Court's 1st CCO, 2nd CCO, 3rd CCO, 4th CCO, 5th CCO, or 6th CCO that is not the subject of the stipulation or Motion.

[2] When it filed the Motion, Acacia set the hearing for July 7, 2008. The Court, however, *sua sponte* issued an Order resetting the hearing date to October 20, 2008. (Doc. No. 290).

Thus, defendants fear that, if Acacia's motion is heard on October 20, then on September 29 (the opposition due date), defendants will have to file an opposition to Acacia's Motion in which they must agree with Acacia that the asserted claims are invalid as being indefinite, making it likely that the Court will grant Acacia the relief it seeks on October 20.

### B. The Fact That All Of The Asserted Claims Are Invalid As Being Indefinite Means That The Court No Longer Has Any Jurisdiction To Consider Any Other Grounds Of Invalidity

In their motion, defendants a number of times accuse Acacia of "hand-selecting" and "strategically selecting" the grounds for invalidity of the asserted claims. Acacia has not "hand selected" or "strategically selected" anything; the Court's Claim Construction Orders have invalidated every claim as being indefinite. Having found that all of the claims are invalid as being indefinite, the Court no longer has any jurisdiction to consider any other grounds of invalidity, as the Court would be improperly issuing an advisory opinion as to the validity of claims already held to be invalid. Neither Acacia, nor defendants, can contend that any other ground of invalidity exists, as the Court has not found that any claim is invalid for any other reason.

The Federal Circuit, on July 15, 2008 (after the Case Management Conference and Acacia

[3] In their Section 112 motions, defendants included sections seeking rulings from the Court that all of the asserted claims are invalid as being indefinite for the exact same reasons as those set forth in Acacia's Motion. Defendants' inclusion of these invalidity issues is a clear attempt to circumvent both Acacia's Motion and the Court's Scheduling Order. The Court's Order is clear – defendants are only to bring motions "on the disputed issues identified in the Defendants' letters." (Doc. No. 282).

had filed its Motion), again made clear in *Jang v. Boston Scientific Corp.*, 532 F.3d 1330, 1336 (Fed. Cir. 2008) that it will not render any advisory opinions. In *Jang*, it was unclear to the Federal Circuit which of the district court's claim constructions would actually affect the issue of infringement on appeal. Thus, rather than risk issuing an advisory opinion as to the construction of any claim term having no bearing on the infringement issues, the court remanded the case for clarification of the stipulated judgment. *Jang*, 532 F.3d at 1336.

Defendants complain that, if Acacia's Motion were granted, and if Acacia were permitted to appeal only the invalidity of the asserted claims based on the Court's indefiniteness rulings, then there would be a waste of judicial resources. But, as the *Jang* case emphasizes, whether a court has jurisdiction to adjudicate a matter takes precedence over inefficiencies and judicial resources. In *Jang*, the claim construction issue was before the court, but, rather than even risk issuing an advisory opinion, the court decided to remand to the district court for clarification.

In any event, there is more risk associated with defendants' proposal that judicial resources will be wasted. For example, if the appellate court agrees with Acacia that any further proceedings would constitute an advisory opinion, all of the work associated with the resolution of defendants lengthy and complicated motions will be lost. All that will be accomplished is the parties and the Court will be required to deal with a multitude of complicated issues which will be moot in the end. The asserted claims are already legally dead, killing them again achieves nothing.

**C. Defendants Would Not Be Prejudiced If The Court Were To Grant Acacia's Motion On October 20, 2008**

There is absolutely no prejudice to defendants with proceeding on Acacia's Motion as currently scheduled. If granted, the case is over at the trial court. The matter would then be appealed. If defendants prevail, the case is over completely. If Acacia prevails on appeal, the reasoning and description of the patented invention and the specification's teachings provided by the Federal Circuit in connection with its ruling would potentially render moot the additional invalidity arguments asserted by defendants in this proceeding. Even if they were not mooted in their entirety, any remaining invalidity issues would be significantly narrowed and proscribed.

### D. Further Consideration By This Court Of Additional Invalidity Arguments Will Be A Burden In This Court And A Colossal Waste Of Time

The additional invalidity issues that are the subject of defendants' new motion are all fact intensive, focusing on what one of ordinary skill in the art would have understood from the patent, whether the patent specification is sufficiently complete to enable a skilled artisan to make and use the claimed invention, and whether or not undue experimentation would be required to practice the claimed invention. *Hybritech, Inc. v. Monoclonal Antibodies, Inc.*, 802 F.2d 1367 (Fed. Cir. 1986). For each issue Acacia will demonstrate through expert testimony that each asserted claim meets the definiteness, enablement, and written description requirements. The most that defendants will demonstrate is the existence of a material fact dispute which, of course, will preclude the entry of summary judgment on these new and completely necessary invalidity issues. If we proceed, we are all about the spend an enormous amount of time and energy for nothing.

Compounding the problem is the resignation of the Court's technical advisor, Rainer Schulz. Acacia cannot afford the delay occasioned by the process of his replacement and the subsequent review of fact intensive, unnecessary additional invalidity motions. Patents are a wasting resource. The patents in suit here will expire in less than three years—June 7, 2011. We have been in the claim construction, pre-discovery stage of this case for nearly six years—since November 8, 2002 when the first case was filed. It is simply not fair to Acacia for this case to remain at the trial level when all the asserted claims have been adjudged invalid based on indefiniteness.

## IV. CONCLUSION

For the foregoing reasons, the Court should deny defendants' request to continue the hearing date on Acacia's Motion for Summary Judgment.

DATED: SEPTEMBER 26, 2008

Respectfully submitted,

HENNIGAN, BENNETT & DORMAN

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**PROOF OF SERVICE**

I declare as follows:

I am a resident of the State of California and over the age of eighteen years, and not a party to the within action; my business address is 865 South Figueroa Street, Suite 2900, Los Angeles, California 90017.

On September 26, 2008, I served a copy of the within document described as **PLAINTIFF ACACIA MEDIA TECHNOLOGIES CORPORATION'S MOTION FOR ADMINISTRATIVE RELIEF TO FILE SUPPLEMENTAL BRIEF IN SUPPORT OF ACACIA'S PENDING MOTION FOR SUMMARY JUDGMENT ON ACACIA'S PATENT INFRINGEMENT CLAIMS AND ON DEFENDANTS' COUNTERCLAIMS FOR PATENT INVALIDITY** on the interested parties in this action by transmitting via the Electronic Case Filing Program of the United States District Court for the Northern District of California, the document listed above by uploading the electronic file for the above listed document on this date. The ECF Program will send an e-notice of the electronic filing to the parties listed on the attached Service List.

I also placed the document listed above in a sealed envelope and affixing a pre-paid air bill, and causing the envelope to be delivered to a FedEx agent for Delivery as follows:

Chambers of the Hon. James Ware
Attn: Regarding Acacia Litigation
280 South First Street
San Jose, CA 95113
***3 copies***

Executed on September 26, 2008 at Los Angeles, California.

I declare that I am employed in the office of a member of the bar of this court at whose direction the service was made.

/S/ Lisa McCorry
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